

**APPLICATION FOR PERMIT  
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA**

JAN 05 1989

Date of filing in State Engineer's Office.....

JAN 31 1989

Returned to applicant for correction.....

FEB 23 1989

Corrected application filed.....

FEB 23 1989 under 52847

Map filed.....

The applicant U.S.N.G.S......

P.O. Box 10877....., of Reno.....  
Street and No. or P.O. Box No. City or Town

Nevada 89510....., hereby make S application for permission to appropriate the public  
State and Zip Code No.

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) GEXA Gold Corporation, N.A. Degerstrom, Inc. and U.S. Precious Metals, Inc.

1. The source of the proposed appropriation is underground  
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 2.0.....second-feet  
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.....

3. The water to be used for mining, milling and domestic  
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated.....

(b) Stockwater, state number and kinds of animals to be watered.....

(c) Other use (describe fully under "No. 12. Remarks") see No. 12

(d) Power:

(1) Horsepower developed.....

(2) Point of return of water to stream.....

5. The water is to be diverted from its source at the following point within the NW¼ SE¼, Sec. 16, T.12S.,  
Describe as being within a 40-acre subdivision of public

R. 48E., M.D.B. & M. (unsurveyed) at a point from which the NW corner of Sec. 4 T.12S.,  
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

R. 48E., M.D.B. & M. (unsurveyed) bears N. 11° 49' 14" W., a distance of 13,601.49  
feet

6. Place of use see Exhibit "A" attached  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about January 1.....and end about December 31....., of each year.  
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) drilled and cased well, submersible pump,  
State manner in which water is to be diverted, i.e. diversion structure, ditches and  
electric motor, storage reservoir and distribution system.  
flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$100,000

10. Estimated time required to construct works.....two years.....  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use.....four years.....

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Water to be used for heap leach and flotation mill. Water conservation measures will be utilized. Water to be commingled with application 51555, 51556, 51557, 52847, 52848, and 52850. Total consumptive use not to exceed 800 acre-feet per year.

By...../s/ Forrest L. Fox  
Forrest L. Fox  
Hydro-Search, Inc., 333 Flint Street  
Reno, Nevada 89501  
Compared.....kh/ jm.....bp/se.....  
Protested 3/20/89 Owen R. Williams, on behalf of the U.S., National Park Service.

APPROVAL.....OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The total combined duty of water under Permits 51555, 51556, 51557, 52847, 52848, 52849 and 52850 shall not exceed 130.34 million gallons annually.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed.....2.0.....cubic feet per second, but not to exceed 130.34 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before.....June 27, 1991.....

Proof of completion of work shall be filed on or before.....July 27, 1991.....

Application of water to beneficial use shall be made on or before.....June 27, 1993.....

Proof of the application of water to beneficial use shall be filed on or before.....July 27, 1993.....

Map in support of proof of beneficial use shall be filed on or before.....N/A.....

Completion of work filed.....IN TESTIMONY WHEREOF, I.....PETER G. MORROS.....

Proof of beneficial use filed.....State Engineer of Nevada, have hereunto set my hand and the seal of my

Cultural map filed.....office, this.....22nd.....day of.....September.....

Certificate No.....Issued.....A.D. 19.....89.....

*[Signature of Peter G. Morros]*  
State Engineer

WITNESSED BY APPLICANT.....  
JUL 17 1991  
*[Signature]* P.E. MNC  
STATE ENGINEER

(PERMIT TERMS CONTINUED)

This permit is issued subject to the conditions in the State Engineer's Ruling No. 3614 dated June 15, 1989 and also to the Water Supply Well Field Monitoring Plan dated June 30, 1989.

Application 52849

## Place of Use Exhibit "A"

T11S R48E

Portion of SE 1/4 Section 20; S 1/2 Section 21; Section 28;  
E 1/2, SW 1/4, Portion of NW 1/4 of Section 29; E 1/2 SE 1/4,  
SE 1/4 NE 1/4 Section 30; E 1/2 E 1/2 Section 31; Section 32;  
Section 33

T12S R47E

S 1/2 S 1/2 Section 1; N 1/2 Section 12

T12S R48E

Section 4; Section 5; South 1/2, South 1/2 N 1/2 Portion of  
N 1/2 N 1/2 Section 6; Section 7; Section 8; Section 9;  
Section 16; Section 17; North 1/2 Section 18; Portion of the  
SE 1/4, Portion of the SW 1/4, of Section 19; Section 20;  
Section 21; Portion of the NE 1/4, NW 1/4, Portion of the  
SW 1/4 of Section 28; East 1/2, E 1/2 W 1/2 Portion of W 1/2  
W 1/2 of Section 29; Portion of NW 1/4, Portion of NE 1/4,  
Portion of SE 1/4 of Section 30